

**BEFORE
THE ILLINOIS COMMERCE COMMISSION**

Z-TEL COMMUNICATIONS, INC.,

Complainant,

vs.

ILLINOIS BELL TELEPHONE COMPANY,
d/b/a AMERITECH ILLINOIS,

Respondent.

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Docket No. 02-0160

DIRECT TESTIMONY OF

LINDA FARR

ON BEHALF OF Z-TEL COMMUNICATIONS, INC.

CONFIDENTIAL FILE
02-0160
Z-Tel
3-25-02
BAP

DIRECT TESTIMONY OF LINDA FARR

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3 **Q. COULD YOU PLEASE STATE YOUR NAME AND BUSINESS**
4 **ADDRESS?**

5 A. My Name is Linda Farr. I am the Manager of ILEC Control for Z-Tel
6 Communications. My business address is ~~601 S. Harbour Island Boulevard,~~ *100 BROOKWARD ROAD, ATMORE, ALABAMA*
7 ~~Tampa, Florida.~~

8

9 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES AS**
10 **MANAGER OF ILEC CONTROL.**

11 A. I receive and process all customer service issues affecting Z-Tel that are a result
12 of ILEC error. I oversee the investigation of each issue documented by my
13 Specialists and produce reports for the appropriate parties.

14

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16 A. The purpose of my testimony is to provide some context of the impact that
17 Ameritech's failure to provide timely and accurate line loss data has on Z-Tel. Z-
18 Tel's ability to administer appropriate, timely, and quality customer care is greatly
19 impacted by the lack of timely and accurate line loss data. Inaccurate line loss
20 data often results in double-billing which results in customer dissatisfaction and
21 complaint. Further, I will explain how Ameritech's failure to provide accurate

1 line loss information impairs Z-Tel's ability to compete because Z-Tel's customer
2 service organization is severely and negatively impacted by the situation.

3

4 **Q. MR. REITH HAS DESCRIBED PROBLEMS WITH Z-TEL RECEIVING**
5 **LINE LOSS INFORMATION FROM AMERITECH. HAS THAT**
6 **RESULTED IN ANY PROBLEMS FOR Z-TEL IN ITS RELATIONSHIP**
7 **WITH ITS CURRENT OR FORMER CUSTOMERS?**

8 **A.** Z-Tel uses the line loss notice as the notice to stop billing our existing customers.
9 We assume that once we receive a line loss notice for a customer, that customer
10 has migrated to another carrier for some reason. As explained by Mr. Reith,
11 without timely and accurate line loss data, Z-Tel does not know it has lost a
12 particular customer. As a result, Z-Tel continues to bill that consumer as if it was
13 still a customer of Z-Tel, even though another carrier now serves the consumer.

14

15 **Q. COULD YOU PLEASE DESCRIBE THE PROCESS OF HOW Z-TEL**
16 **BECOMES AWARE OF A PROBLEM WITH A CUSTOMER'S**
17 **ACCOUNT?**

18 **A.** Usually the first indication of a problem associated with a lack of timely and
19 accurate line loss notification is the initial call into Z-Tel's Customer Service
20 Center by the consumer. Due to the lack of timely and accurate line loss
21 notification, Z-Tel customer account records indicate that at the time the invoice
22 was submitted, it was sent to an active Z-Tel customer. If that customer has, in

1 fact, switched from Z-Tel to another carrier, the customer will receive a bill from
2 Z-Tel, and an additional bill from its new telephone service provider. This
3 situation is known as double-billing.

4
5 **Q. HAS Z-TEL DEVELOPED ANY PROCEDURES TO ADDRESS THE**
6 **CONSUMER COMPLAINTS RESULTING FROM DOUBLE-BILLING**
7 **DUE TO THE LACK OF TIMELY AND ACCURATE LINE LOSS**
8 **NOTIFICATION?**

9 **A.** Yes. Upon notification by the customer, the Customer Service (CS)
10 Representative creates a Trouble Ticket (TT) and assigns it to Credit Research
11 (CR). The CR Representative thoroughly investigates the customer's account
12 records and determines if the customer in fact has been billed in error. If that is
13 found to be the case the CR Representative closes the account and issues the
14 appropriate amount of credit contingent on the number of days the consumer
15 actually had service with Z-Tel. The CR Representative follows up with a letter
16 to the consumer verifying the closure of the account and the credit issued.

17
18 **Q. CAN YOU EXPLAIN THE CONTENT OF THE LETTER ISSUED BY**
19 **THE CR REPRESENTATIVE?**

20 **A.** First, it is important to note that double billing due to line loss problems is such a
21 wide spread problem that Z-Tel created an entire Credit Research department to
22 handle the case load. An example of Z-Tel's customer notification letter is

1 attached as Exhibit 3.1. Even though Z-Tel is not responsible for the double
2 billing situation, we always apologize for the customer's unpleasant experience.

3

4 **Q. HAS Z-TEL ATTEMPTED TO CALCULATE THE NUMBER OF**
5 **INSTANCES WHERE A CONSUMER HAS CONTACTED Z-TEL**
6 **COMPLAINING OF DOUBLE-BILLING?**

7 **A.** Yes. As I mentioned above, upon notification by the consumer of a problem with
8 double-billing, the Customer Service (CS) Representative creates a Trouble
9 Ticket (TT) and assigns it to Credit Research. The total number of TTs
10 investigated by Credit Research from August 2001 through December 2001 in the
11 State of Illinois was 2,042.

12

13 **Q. HAS Z-TEL EXPERIENCED ANY ADDITIONAL COSTS AS A RESULT**
14 **OF AMERITECH'S FAILURE TO PROVIDE TIMELY AND ACCURATE**
15 **LINE LOSS NOTIFICATION IN ILLINOIS?**

16 **A.** Yes. As explained by Mr. Reith, when a customer is wrongfully billed because Z-
17 Tel does not receive, or receives an inaccurate or late, line loss notice from
18 Ameritech, Z-Tel incurs significant cost associated with investigating the
19 complaint and issuing the customer credit, plus immeasurable, but significant
20 damage to the company's reputation. While not an exhaustive list, at a minimum
21 and limited solely to the costs associated with investigating the complaint and
22 issuing the customer credit, Z-Tel incurs added costs in the following areas due to

1 Ameritech's failure to provide timely and accurate line loss notification in

2 Illinois:

- 3 • Labor Costs for Customer Service Representative;
4 • Labor Costs for Credit Research Representative;
5 • Additional Maintenance of the consumer account; and,
6 • Credit issued to consumer.

7
8 Preliminary estimates indicate that Z-Tel incurs approximately \$50 per trouble
9 ticket as additional costs investigating the consumer complaints relating to double
10 billing.

11

12 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

13 **A.** Yes it does.

14

SAC000«search»
«NAME»
«ADD1» «ADD2»
«CITY», «STATE» «ZIP»

March 25, 2002

Account Number: «ACCOUNT»

Dear Valued Z-Line™ member:

You recently made an inquiry regarding charges appearing on your Z-Line bill. Please accept our sincerest apologies for any inconvenience you may have experienced.

As part of our ongoing commitment to improve customer service, we have adopted the process of replying to customers' inquiries in written form. We would like to take this opportunity to follow up on your inquiry.

We have researched your inquiry and have determined that you are no longer with Z-Tel Communications, Inc as of «MIGRATIONDATE». We have applied a credit in the amount of «CREDIT_GIVEN», which will appear on your final invoice.

If you have any questions or concerns, please call Customer Care at 1-800-511-4572. To ensure you receive the fastest service, please have the following number available when you call:

Customer Reference Number: «ZTICKET_ID»

Thank you very much.

Sincerely,

Customer Care